

The University of Texas at Dallas

Purchasing Card Program Guide

GENERAL

The Purchasing Card Program is authorized by the Texas Building and Procurement Commission through a State of Texas contract with JPMorgan Chase. The Purchasing Card is a JPMorgan Chase MasterCard. This program is designed to delegate the authority and capability to purchase low-value items directly to the person to whom it most matters-YOU, the account manager. Use of the card significantly reduces the requirements to obtain purchase order numbers, process invoices for payments and prepare large numbers of voucher/payment documents.

OBTAINING A PURCHASING CARD

To obtain a Purchasing Card, you may call or e-mail the Program Administrator, Pete Bond (ext. 2301, pbond@utdallas.edu) or Christy Baxter (ext. 2633, baxterc@utdallas.edu) and request an application form. Upon receipt of your application form, the Program Administrator will forward the necessary documentation to JPMorgan Chase for processing. The bank will send the Purchasing Card(s) to the Program Administrator. This process normally takes about two to three weeks. Upon receipt of the Purchasing Card(s), individuals will be contacted to attend a short orientation meeting. At the end of the meeting, the cards will be issued to the designated cardholders. *In addition to this initial training, cardholders will also be expected to undergo regular “refresher courses” on Purchasing Card policies via the annual Training Post modules.*

KEY PROGRAM CONTACTS INCLUDE:

Christy Baxter, Procurement Management, **Ext. 2633**

Pete Bond, Procurement Management, **Ext. 2301**

purchasingcard@utdallas.edu

CUSTOMER SERVICE

The Purchasing Card program is serviced using a team approach with JPMorgan Chase's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist the cardholder with general questions about the Purchasing Card account.

If a Purchasing Card is lost or stolen, Customer Service should be notified immediately at 1-800-890-0669.

Also, notify your department head and the Purchasing Card Program Administrator (Pete Bond/Christy Baxter). Upon receipt of your telephone call, the bank will immediately suspend your Purchasing Card and issue a new card. The new card will be sent by the bank to the Procurement Management office and we will contact you when it arrives.

GUIDELINES FOR PURCHASING CARD USE

1. The JPMorgan Chase MasterCard will be issued in the cardholder's name with the State of Texas emblem and the wording "Official Use Only" clearly shown on the card. This card is for business purposes only and **may not** be used for personal purchases. Use for personal purchases will result in disciplinary action.
2. **ACTIVATION** - The cardholder must call the number on the newly issued card (sticker) to activate the Purchasing Card before using it. Upon receipt of the card, the cardholder should sign the back of the Purchasing Card and always keep the card in a secure place.
3. Each cardholder is responsible and accountable for his/her own Purchasing Card.
4. Charges made to the Purchasing Card are still subject to compliance with UTD Rules and Regulations governing purchases and payments made via other means. Excessive violation of or disregard for said rules and regulations may result in loss of Purchasing Card privileges, even if those violations had nothing to do with the Purchasing Card.
5. **The maximum single purchase limit is \$1000 (for most users)**, including freight. The card will automatically reject if the total purchase amount exceeds \$1000. "Splitting" a large transaction into several smaller ones in order to get around this limit is a violation of UTD policy. *Please note: The Assistant Vice President for Procurement Management may permit a higher single purchase limit, a higher cycle limit or the removing of restrictions, but only with the pre-approval of the cardholder's supervisor and only if the exception is necessary to improve a specific business process.*
6. **The maximum total dollar purchase per month (for most users)** is \$15,000. Most cardholders find this sufficient; however, if you are certain you will be charging more than that in a month, you may call Christy Baxter at x2633 and request that your monthly limit be adjusted. If the request is approved by your supervisor and by Procurement Management, your monthly limit will be raised. Raising your monthly limit over \$15,000 increases UTD's liability in the case of fraudulent charges (see #9), and this liability will ultimately land on you and your account(s), so protect yourself and don't ask for more credit than you reasonably think you'll need each month.
7. You as the cardholder are responsible for verifying all purchases and transactions listed on the monthly statement provided by Procurement Management. This verification must occur quickly after the statement is received. Statements are usually mailed out around the 6th of the month, and the deadline is usually 10 days later so that charge backs can be done in FINS before the monthly account reports are issued to your department. Cardholders are also encouraged to review their monthly FINS account statements to ensure that charges were applied to the proper account(s).
8. All purchases made are exempt from all federal excise taxes as well as state and city sales tax. When making purchases with the Purchasing Card, the cardholder must advise the vendor of the tax-exempt status. If necessary, a Tax Exempt Certificate may be provided to the vendor. A copy is attached (sample: attachment 1) and may be reproduced. If you are charged sales tax in error, it is up to you to contact the vendor and request a credit against next month's statement. Note, however, that vendors outside Texas do not necessarily honor our tax exemption; if you buy from an out-of-Texas vendor and are charged their state's sales tax, it will be paid from your account.

9. There is a **personal liability** connected with the card; a cardholder making an unauthorized purchase will be held personally liable to reimburse the University for the purchase. Additionally, the Purchasing Card contract terms assigns the University liability for unauthorized purchases on lost cards. JPMorgan Chase's coverage for "fraud" on a lost or stolen card is up to \$15,000 per card with a deductible of \$50 per Purchasing Card. Therefore, in addition to the \$50 deductible, the University is liable for unauthorized purchases over \$15,000. (This is why the default monthly limit is only \$15,000.) Fraud is defined as when an individual not authorized to use the card makes charges to the account, or when the University does not directly or indirectly benefit from the transaction.
10. In general, the **Purchasing Card may not be used** for the following purchases (most will be rejected electronically at point of sale):

- Airlines¹
- Automobile Rentals¹
- Hotels and Motels¹
- Eating Places, Restaurants¹
- Bars, Taverns, Nightclubs¹
- Package Stores, Beer, Wine, Liquor¹
- Cash Advances, Travelers Checks, Insurance, etc.¹
- Travel and Related Expenses
- Radioactive Material
- Prescription Drugs/Controlled Substances²
- Consulting or Personal Services
- Animals
- Controlled Assets³
- Capital Equipment Upgrades⁴

¹*Charges for these types will be rejected at the point of sale. Also, **registration fees are okay to charge and will not automatically reject. MEMBERSHIPS, on the other hand, require a benefit statement (how does your membership benefit the university?) and must be approved by the President or his designee (currently AVP Procurement Mgt).** Continue to send memberships to Procurement via Purchase Voucher. If it is necessary to use the Purchasing Card for a membership, make sure a clear benefit statement is placed on your monthly Cardholder Activity Report.*

²*Student Health Services is the only exception.*

³*The State of Texas Comptroller has defined "controlled assets" as facsimile machines, stereo systems, cameras, video recorders/players, computers, printers, medical equipment, scientific and laboratory equipment, and cellular/portable phones costing between \$500 and \$5,000. Firearms are also considered controlled regardless of value. If you need further clarification regarding these assets, please call Property Management (ext. 2150).*

⁴*Includes the purchase of parts for capitalized equipment if the value or the useful life of the asset is increased by 25% or more. If you need further clarification, please call Property Management (ext. 2150).*

Please note: The Assistant Vice President for Procurement Management may permit a higher single purchase limit, a higher cycle limit or the removing of restrictions, but only with the pre-approval of the cardholder's supervisor and only if the exception is necessary to improve a specific business process.

PURCHASES FROM HISTORICALLY UNDERUTILIZED BUSINESSES (HUBs)

As with other means of purchasing, Cardholders are strongly encouraged to make credit card purchases from certified HUBs. JPMorgan Chase has established a reporting procedure with the Texas Building and Procurement Commission (TBPC), which will enable UTD to receive HUB credit for purchases made. Cardholders having access to the Internet can directly access the State of Texas TBPCs HUB vendor files at:

<http://www.tbpc.state.tx.us/cmb/cmbhub.html>

It is recommended that you bookmark TBPC's URL address to facilitate access. If you need assistance, please contact Paul Watson, Purchasing and HUB Program Manager, ext. 2307, or by e-mail at pwatson@utdallas.edu. He is available for training on how to search for HUB vendors via the Internet or he can comprise a list of HUB vendors per project for your department.

PURCHASES FROM VENDORS ON WARRANT HOLD (CREDIT HOLD) STATUS WITH THE STATE OF TEXAS

Per the Texas Administrative Code (34 TAC sec 5.57), state agencies are not allowed to do business with or make payments to entities that are on "warrant hold" (also called "credit hold" or "vendor hold") with the State of Texas until the causing situation is resolved and the hold is lifted. Because the Purchasing Card is a very easy way to do both, if you wish to make a purchase of \$150 or more from a vendor based in the State of Texas, you are **required** to research your vendor's hold status beforehand by visiting the State Comptroller's website:

<http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html>



RECEIPT OF MATERIALS AND SERVICES

It is the cardholder's responsibility to ensure receipt of materials and services and to follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. If materials are ordered by phone, ask the vendor to include a sales receipt in the package with the filled order. This will be needed for documentation. **Also, ask the vendor to include on the outside packaging label your name, office number, phone number, and the letters PCP (short for Purchasing Card Purchase).** This information will facilitate getting the delivery to you quicker when it is received in Central Receiving.

In the case of returns, the cardholder is responsible for coordinating returns directly with the vendor, as well as securing the appropriate credit when the goods are returned to the vendor. It would also be helpful to keep the return documentation attached to the departmental log sheet.

DISPUTING A TRANSACTION

If there is a charge on your activity report that is not recognized, or that appears to be incorrect, review your receipts and see if you can match the transaction by dollar amount – some vendor's process credit card transactions through a parent company. If you still cannot find anything, contact the vendor and try to resolve the dispute. If an agreement can't be reached, you should complete a "Purchasing Card Statement of Disputed Item" form with supporting documentation and mail to JPMorgan Chase at:

JPMorgan Chase-Commercial Card Services Operations
ATTN: Dispute Department
PO Box 2015
Elgin, IL 60121-2015
Phone: 1-888-297-0768
Email: CCS-Dispute@chase.com

All questioned items must be communicated to JPMorgan Chase at the address above within 60 days from the billing close date. JPMorgan Chase will place the charge in a “State of Dispute” and the account may be given a provisional credit until receipt of adequate documentation from the vendor. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account. A copy of the form should be kept with the credit card statement, log sheet, and supporting documents.

BILLING, PAYMENT, AND ACCOUNT DISTRIBUTION

JPMorgan Chase transmits transaction data electronically to Procurement Management which is compiled into a report that is sent to cardholders. The report should then be signed and dated and filed with the receipts and transaction log. A copy of the signed and dated report should be faxed to Procurement (fax ext. 2348) by the **deadline** specified in the summary report heading. Procurement Management will process payment to JPMorgan Chase using the default information for each card and any changed information received by the deadline. If the primary account cannot accept the charge, Procurement will contact the cardholder for an account number that will accept the charge. Purchasing Card privileges **will** be suspended if payment documents cannot be processed in a timely manner.

ACTIVITY REPORT RECONCILIATION

The cardholder is responsible for maintaining records of every transaction made with the Purchasing Card. These records should be reconciled to the “Activity Report” each billing cycle (30 days). The following items should be retained in those records:

- | | |
|--|--|
| ✦ Sales receipts | ✦ Merchandise advertisement (if available) |
| ✦ Packing slips | ✦ Brief statement of business purpose, |
| ✦ Credit card slips | including attendees if it was a UTD |
| ✦ UTD Account Number, if not your
default account | meeting or social event |

When the monthly Purchasing Card Activity Report is received, the cardholder is responsible for reconciling the transactions listed on the statement to his/her records. Any discrepancies identified should be **PROMPTLY** investigated.

If transactions appear on your statement which should not be charged against your card’s default account number, make note of the proper account in the “New Account” field on your Activity Report. If the transaction is being charged against a contract or grant account, make the appropriate change to the sub-account code. (If you do not know the sub-account code for your purchase, then use the “Comments” section to outline exactly what you purchased, and Christy will attempt to locate the proper code.)

If you move a charge to another account, you must have signature authority on the new account! If you are buying on behalf of another department, your backup paperwork should include the signature of someone in the requisitioning department who does have authority over that account.

Sign the activity report on the line marked “Cardholder sign...” attach all the supporting paperwork to the back of the report, and pass it on to your signing supervisor. Your supervisor should also review your report and the paperwork, and must sign on the line marked “Supervisor sign...” ***Make a copy of the Activity Report ONLY (not of the backup paperwork) and fax the copy back to Procurement Management at x2348 by the deadline specified on the Activity Report.*** If we do not get the report back in time, all charges will be processed against your default account and subcode, and it will be your responsibility to re-distribute the charges.

If your supervisor is out of the office when you get your Activity Report, and you don’t expect him/her back before the reconciled and reviewed report is due, then forward it to your supervisor’s supervisor. DO NOT have a colleague sign on your supervisor’s behalf – the report should only go UP the chain of command. If this is not feasible, contact Christy at x2633 and she’ll try to work something out with you.

Keep all supporting documentation with the monthly statement on which the charge appears. This will facilitate research in the event of a dispute or audit. All files should be maintained in a secure, easily accessible place within the department, by the UTD account number and in date order. **Also, be sure to review your FINS account statement each month to make sure charges were applied properly**, especially if you requested changes to the account or subcode.

To facilitate the record keeping and the reconciliation process, we recommend a Transaction Log that includes, at a minimum, the following items:

- | | |
|----------------------|--------------------|
| ✦ Transaction Date | ✦ Support Attached |
| ✦ Vendor Name | ✦ Received Date |
| ✦ Transaction Amount | ✦ Comments |
| ✦ Reconciled (✓) | |

A sample Transaction Log is included in this handout (attachment 2).

TRANSACTION AUDITS

Every month, a handful of transactions are selected both by the Director of Procurement Management and the Purchasing Card Administrator for detailed review. Some are chosen entirely at random; others are chosen because they exhibit higher than average potential for violation of Purchasing Card policy or UTD purchasing policy in general.

If one of your transactions is selected for such an audit, you will receive an email notification from the Purchasing Card Administrator. You will be asked to make copies of all paperwork related to the specified charge and send it back to Procurement at AD34 by the given deadline. ***Please note: this is the only time at which Procurement wants copies of said paperwork.*** Moreover, any copies sent to us unsolicited are discarded; you cannot pre-empt a Procurement audit by sending copies of all your transaction paperwork in with your Activity Report.

CARD TERMINATION

If a cardholder terminates employment with the University, the department has the specific obligation to reclaim the Purchasing Card and return it to the Program Administrator (Pete Bond), **prior** to the employee termination date. Failure to return the card promptly may result in revocation of all departmental card privileges.

Also, if a cardholder transfers to a new department, it is the **cardholder's** responsibility to notify Procurement Management of the transfer within **ten days** of starting in his/her new position. The hiring department must also either furnish Procurement Management with a new default account number, or with instructions to cancel the Card.



THE UNIVERSITY OF TEXAS AT DALLAS

PROCUREMENT MANAGEMENT



P.O. Box 830688

Richardson, Texas 75083-0688

ph (972) 883-2300

fax(972) 883-2348

<http://www.utdallas.edu/utdgeneral/business/procure/>

SALES TAX EXEMPTION CERTIFICATE

The University of Texas at Dallas "UTD" is part of The University of Texas System established by Article VII, Section 10 of the Texas Constitution and is an institution of higher education as defined in chapter 61 of the Texas Education Code. Pursuant to Texas Tax Code § 151.309, as a state agency, **UTD is exempt from the sales tax.** In addition, as set forth in Comptroller Rule 3.322, UTD is not required to request and prove its exempt status. Texas Tax Code Section 151.309 and Comptroller Rule 3.322 are reproduced below for your information. You can access the Comptroller's website at <http://www.cpa.state.tx.us/m23taxes.html>

Texas Tax Code § 151.309. Governmental Entities

A taxable item sold, leased, or rented to, or stored, used, or consumed by, any of the following governmental entities is exempted from the taxes imposed by this chapter:

- (1) the United States;
- (2) an unincorporated instrumentality of the United States;
- (3) a corporation that is an agency or instrumentality of the United States and is wholly owned by the United States or by another corporation wholly owned by the United States;
- (4) this state;
- (5) a county, city, special district, or other political subdivision of this state; or
- (6) a state, or a governmental unit of a state that borders this state, but only to the extent that the other state or governmental unit exempts or does not impose a tax on similar sales of items to this state or a political subdivision of this state.

Acts 1981, 67th Leg., p. 1560, ch. 389, § 1, eff. Jan. 1, 1982.

Amended by Acts 1993, 73rd Leg., ch. 719, § 1, eff. July 1, 1993.

Texas Administrative Code

TITLE 34 PART 1

CHAPTER 3 SUBCHAPTER O RULE §3.322

PUBLIC FINANCE COMPTROLLER OF PUBLIC ACCOUNTS TAX ADMINISTRATION STATE SALES AND USE TAX **Exempt Organizations**

(a) General policy. This section will be administered using these guidelines.

(cut)

(c) **Entities always exempt. The following entities and organizations are exempt under the law and are not required to request and prove exempt status** except to send information as requested by the comptroller to verify its exempt status under this subsection:

(1) the United States, its unincorporated agencies and instrumentalities;

(cut)

(4) the State of Texas, its unincorporated agencies and instrumentalities;

(5) any county, city, special district or other political subdivision of the State of Texas, and **any college or university created or authorized by the State of Texas;**

(cut)

(3) A purchase voucher issued by any one of the entities identified in subsection (c) of this section is sufficient proof of the entity's exempt status.

Office of General Counsel

The University of Texas System

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Austin, Texas 78701

Telephone: (512) 499-4462 <http://www.utsystem.edu/ogc/>

THE UNIVERSITY OF TEXAS AT DALLAS

Purchasing Card Transaction Log

Department Name: _____

Month/Year: _____

Cardholder Name: _____

Account #: _____

Transaction Date	Vendor Name	Transaction Amount	Received Date	Reconcile Statement?	Account Code	<i>Comments</i>

Contact List

<u>Issue</u>	<u>Contact</u>
General Questions.....	Pete Bond or Christy Baxter Purchasing Card Administrator Phone: 2301 or 2633 Fax: x 2348
Where to Mail Activity Reports.....	Procurement Management Mail Station: AD34 or Fax x2348
To Obtain, Cancel or Change Cardholder Information.....	Pete Bond or Christy Baxter Phone: x 2301 or x 2633
Card Declined or Restricted Vendor....	JPMorgan Chase Customer Service Phone: (877) 890-0669
Lost or Stolen Credit Card.....	JPMorgan Chase Customer Service (24 hours a day) Phone: (800) 890-0669 Also notify Pete Bond, x 2301 or Christy Baxter, x 2633
Disputed Items.....	Vendor (Contact vendor first to see if issue can be resolved. If the issue cannot be resolved, fill out a Statement of Disputed Item and send it to JPMorgan Chase.) Note: Failure to take immediate and appropriate action could result in a loss for UTD, and your charging privileges could be revoked.